## In the abstract:

Please amend the abstract as follows:

An automatic label inspection system that is relatively inexpensive, flexible and easy to set up. A digital watermark is embedded in a label prior to the printing process. [As is conventional in digital watermark technology, the] The digital watermark is duplicated many times in multiple areas of the image. That is, the [images] image is divided into [area] areas, and a copy of the watermark is embedded into each area. [Conventional digital watermarks often include both a grid and a payload signal. The present invention merely requires use of the watermark grid signal.] A label is inspected by reading the watermark [grid] signal from each area of the image. The strength of the watermark [grid] signal is used as a measure of the quality of the label.